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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/653,102	08/31/2000	Mark A. Nordlicht	3024/FLK	4063
7278	7590	10/03/2003	EXAMINER AKERS, GEOFFREY R	
DARBY & DARBY P.C. P. O. BOX 5257 NEW YORK, NY 10150-5257			ART UNIT	PAPER NUMBER

3624

DATE MAILED: 10/03/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/653102

Applicant(s)

Nordlicht

Examiner

Hag, G

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 9/9/03
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 35-49 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 35-49 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) ☐ All b) ☐ Some* c) ☐ None of:

1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

*See the attached detailed Office action for a list of the certified copies not received.

- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

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DETAILED ACTION

Response to Request for Continued Examination(RCE)

1. This action is issued in response to applicant's Request for Continued Examination (RCE)(Paper #17) filed 9/9/03.
2. Claims 1-34 were cancelled. New claims 35-49 were added.
3. New claims 35-49 are pending.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 35-49 are rejected as unpatentable over Shepherd(US Pat. No: 6,134,536) in view of Glasserman(US Pat. No: 6,381,586).
6. As per claims 35-49 Shepherd teaches a system for real time trading of options contracts between a plurality of human traders over a network(Abstract) where the system comprises a network(Fig 1) and a server connected to the network(col 6 line 61-col 7 line 67) and two or more trader clients operably connected to the computer network so that each trader can be placed in communication with the market server(Fig 9)(Fig 10)(Fig 11)(Fig 15)(Fig 18)(Figs 20-22). Shepherd also teaches the invention wherein the market server matches trade orders where each

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party to a trade is identified by the other party as an accepted counterparty(Fig 1/14/15)(col 4 lines 38-49)(Fig 51B)(Fig 51A). Shepherd further teaches wherein the market server screens trades based on credit available to the trader(col 12 lines 28-46)(Fig 53A)(Fig 53B).Shepherd further teaches the invention wherein the market server screens trades based on credit available to the trader(col 12 lines 28-46)(Fig 53A)(Fig 53B) as well as wherein each of the clients provides information to the trader regarding a desired underlying commodities market as received from the market server(Fig 61A)(Fig 62A). Shepherd also teaches the invention wherein each of the clients facilitates entry of the commands by providing a simplified order entry language(Fig 5A/510)(Fig 7)(Fig 11/1125/1150/1165/1140/1130).Shepherd further teaches wherein each of the clients facilitates entry of the commands by providing a simplified and quick order entry language(Fig 5A/510)(Fig 7)(Fig 11/1125/1150/1165/1140/1130).Shepherd teaches wherein displaying updated information which includes negative bid pricing values only if followed by opposite offers(Fig 54B)(Fig 54A)(Fig 55B). Shepherd teaches the method according to claims 14,26 respectively where the negative bid pricing values are displayed in terms of the lowest strike value(Fig 82B)(Fig 82A)(fig 72A)(Fig 71A)(Fig 67A).Shepherd teaches the invention according to claims 1,17 respectively wherein once an information of negative bid pricing is presented the presented values are not updated automatically(col 22 lines 30-col 24 line 7)(Fig 17). Shepherd also teaches the invention wherein acting on the commands submitted from multiple clients at the server includes validating commands prior to acting further on the command(Fig 1/14/15)(col 4 lines 38-49)(Fig 51B)(Fig 51A).Shepherd does not specifically

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teach wherein said trader client commands at least one multi-leg contract. Glasserman teaches this(col 7 lines 34-54)(Fig 7).Shepherd also does not specifically teach that the predefined multileg contract is selected from a straddle or a spread. Glasserman teaches that bond options, caplets and caps can be priced(col 3 line 67-col 4 line 3) from which straddles and spreads can be constructed. Glasserman further teaches volatilities(col 7 line 66) as well as pricing options which are used to hedge risk. It would have been obvious to one skilled in the art at the time of the invention to combine Shepherd in view of Glasserman to teach the above. The motivation to combine is to teach a computer implemented method of pricing derivative securities as enunciated by Glasserman(col 1 line 66-col 2 line 3).

Conclusion

6. THIS ACTION IS MADE NON-FINAL.

7. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the examiner are unsuccessful, the examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703)-308-1113.



9/23/03

**DR. GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER**